

104TH CONGRESS
2D SESSION

S. 2045

To provide regulatory relief for small business concerns, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1996

Mr. HATFIELD introduced the following bill; which was read twice and referred to the Committee on Small Business

A BILL

To provide regulatory relief for small business concerns, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “National Small Busi-
5 ness Regulatory Relief Act of 1996”.

6 SEC. 2. PURPOSE.

7 The purpose of this Act is to establish a system of
8 confidential voluntary compliance with Federal regulations
9 that will—

- 1 (1) provide a low cost process to significantly
2 improve compliance by small business concerns with
3 Federal regulations;
- 4 (2) improve the level of outreach to the small
5 business community and reduce duplication of effort
6 among Federal agencies;
- 7 (3) be funded without additional appropriations;
- 8 (4) use the existing federally supported national
9 small business development center service delivery
10 network;
- 11 (5) provide a mechanism for feedback on the
12 small business regulatory environment; and
- 13 (6) stimulate the development of partnerships
14 between nonpunitive assistance programs and the
15 small business development center network in order
16 to improve access to and utilization of these pro-
17 grams by the small business community.

18 **SEC. 3. ESTABLISHMENT OF PROGRAM.**

19 The Small Business Act (15 U.S.C. 637 et seq.) is
20 amended—

21 (1) by redesignating section 31 as section 32;

22 and

23 (2) by inserting after section 30 the following
24 new section:

1 **“SEC. 31. SMALL BUSINESS REGULATORY RELIEF.**

2 “(a) DEFINITIONS.—For purposes of this section—

3 “(1) the term ‘Chairperson’ means the Chair-
4 person of the Council;

5 “(2) the term ‘Council’ means the Small Busi-
6 ness Regulatory Relief Council established under
7 subsection (b);

8 “(3) the term ‘participating agency’ means—

9 “(A) the Environmental Protection Agen-
10 cy;

11 “(B) the Internal Revenue Service of the
12 Department of the Treasury; and

13 “(C) the Occupational Safety and Health
14 Administration of the Department of Labor;

15 “(4) the term ‘small business development cen-
16 ter’ means a small business development center es-
17 tablished pursuant to section 21; and

18 “(5) the term ‘system of voluntary compliance’
19 means a system under which small business develop-
20 ment centers or consortia of small business develop-
21 ment centers provide confidential assistance to small
22 business concerns in meeting regulatory require-
23 ments imposed on small business concerns by any
24 participating agency.

25 “(b) SMALL BUSINESS REGULATORY RELIEF COUN-
26 CIL.—

1 “(1) ESTABLISHMENT.—Not later than 30 days
2 after the date of enactment of the National Small
3 Business Regulatory Relief Act of 1996, the Admin-
4 istrator shall establish a Small Business Regulatory
5 Relief Council in accordance with this subsection.

6 “(2) MEMBERSHIP.—The Council shall be com-
7 posed of 13 members, of whom—

8 “(A) 1 shall be the Associate Adminis-
9 trator for the Office of Small Business Develop-
10 ment Centers of the Administration;

11 “(B) 1 shall be appointed by the head of
12 each participating agency from among the sen-
13 ior level employees of that participating agency;

14 “(C) 4 shall be appointed by an association
15 representing the majority of the small business
16 development centers from among representa-
17 tives of small business development centers;

18 “(D) 1 shall be a representative of the Na-
19 tional Small Business Development Center Ad-
20 visory Council of the Administration; and

21 “(E) 4 shall be appointed by the Adminis-
22 trator from among small business owners nomi-
23 nated by national organizations representing
24 small business concerns.

1 “(3) CHAIRPERSON.—One member of the Coun-
2 cil shall be elected by the Council to serve as the
3 Chairperson of the Council for a term of 1 year.

4 “(4) PERIOD OF APPOINTMENT; VACANCIES.—

5 “(A) PERIOD OF APPOINTMENT.—Each
6 member of the Council shall be appointed for a
7 term of 1 year. No member of the Council may
8 serve more than 3 consecutive terms.

9 “(B) VACANCIES.—Any vacancy in the
10 Council shall not affect the powers of the Coun-
11 cil, but shall be filled in the same manner as
12 the original appointment.

13 “(5) MEETINGS.—The Council shall meet at
14 the call of the Chairperson, but not less often than
15 quarterly.

16 “(6) POWERS OF THE COUNCIL.—

17 “(A) HEARINGS.—The Council may hold
18 such hearings, sit and act at such times and
19 places, take such testimony, and receive such
20 evidence as the Council considers necessary to
21 carry out this section.

22 “(B) INFORMATION FROM FEDERAL AGEN-
23 CIES.—The Council may secure directly from
24 any Federal department or agency, such infor-
25 mation as the Council considers necessary to

1 carry out this section. Upon request of the
2 Chairperson, the head of such department or
3 agency shall furnish such information to the
4 Council.

5 “(C) POSTAL SERVICES.—The Council
6 may use the United States mails in the same
7 manner and under the same conditions as other
8 departments and agencies of the Federal Gov-
9 ernment.

10 “(D) GIFTS.—The Council may accept,
11 use, and dispose of gifts or donations of serv-
12 ices or property.

13 “(7) COUNCIL PERSONNEL MATTERS.—

14 “(A) COMPENSATION OF MEMBERS.—

15 “(i) IN GENERAL.—Each member of
16 the Council who is not an officer or em-
17 ployee of the Federal Government or of a
18 small business development center shall be
19 compensated at a rate equal to the daily
20 equivalent of the annual rate of basic pay
21 prescribed for level IV of the Executive
22 Schedule under section 5315 of title 5,
23 United States Code, for each day (includ-
24 ing travel time), during which such mem-

1 ber is engaged in the performance of the
2 duties of the Council.

3 “(ii) EMPLOYEES OF FEDERAL GOV-
4 ERNMENT.—All members of the Council
5 who are officers or employees of the Unit-
6 ed States shall serve without compensation
7 in addition to that received for their serv-
8 ices as officers or employees of the United
9 States.

10 “(B) TRAVEL EXPENSES.—The members
11 of the Council shall be allowed travel expenses,
12 including per diem in lieu of subsistence, at
13 rates authorized for employees of agencies
14 under subchapter I of chapter 57 of title 5,
15 United States Code, while away from their
16 homes or regular places of business in the per-
17 formance of services for the Council.

18 “(C) STAFF.—

19 “(i) IN GENERAL.—The Chairperson
20 may, without regard to the civil service
21 laws and regulations, appoint and termi-
22 nate an executive director and such other
23 additional personnel as may be necessary
24 to enable the Council to perform its duties.
25 The employment of an executive director

1 shall be subject to confirmation by the
2 Council.

3 “(ii) COMPENSATION.—The Chair-
4 person may fix the compensation of the ex-
5 ecutive director and other personnel with-
6 out regard to the provisions of chapter 51
7 and subchapter III of chapter 53 of title 5,
8 United States Code, relating to classifica-
9 tion of positions and General Schedule pay
10 rates, except that the rate of pay for the
11 executive director and other personnel may
12 not exceed the rate payable for level IV of
13 the Executive Schedule under section 5316
14 of such title.

15 “(D) DETAIL OF GOVERNMENT EMPLOY-
16 EES.—Any Federal Government employee may
17 be detailed to the Council without reimburse-
18 ment, and such detail shall be without interrup-
19 tion or loss of civil service status or privilege.

20 “(E) PROCUREMENT OF TEMPORARY AND
21 INTERMITTENT SERVICES.—The Chairperson
22 may procure temporary and intermittent serv-
23 ices under section 3109(b) of title 5, United
24 States Code, at rates for individuals which do
25 not exceed the daily equivalent of the annual

1 rate of basic pay prescribed for level V of the
2 Executive Schedule under section 5316 of such
3 title.

4 “(F) FEDERAL PROCUREMENT.—The
5 Council may contract in its own name, includ-
6 ing contracting for administrative services and
7 for meeting such national delivery support re-
8 quirements as it determines necessary and ap-
9 propriate, under procedures to be determined
10 by the Council, without regard to the provisions
11 of title III of the Federal Property and Admin-
12 istrative Services Act, or any other law, rule or
13 regulation governing Federal procurement.

14 “(G) ACCESS TO FEDERAL FACILITIES.—
15 The Council shall have access to any Federal
16 facilities as the Chairperson, in consulta-
17 tion with the General Services Administration or
18 any other agency as appropriate, determines ap-
19 propriate, to carry out its functions.

20 “(c) DUTIES OF PARTICIPATING AGENCIES.—

21 “(1) SUBMISSION OF PLAN.—Not later than 60
22 days after the date of enactment of the National
23 Small Business Regulatory Relief Act of 1996, each
24 participating agency shall submit to the Council a 5-
25 year plan for the establishment and maintenance of

1 a system of voluntary compliance in accordance with
2 this Act.

3 “(2) CONTENTS OF PLAN.—Each plan submitted
4 under paragraph (1) shall include—

5 “(A) the regulatory compliance objectives
6 of the participating agency;

7 “(B) the regulatory compliance priorities
8 of the participating agency;

9 “(C) identification of the types of pro-
10 grams, services, materials, and resources to be
11 developed and deployed by the participating
12 agency;

13 “(D) participating agency facilities, exper-
14 tise, and other resources that may be accessed
15 by the Chairperson, a small business develop-
16 ment center, or a small business concern par-
17 ticipating in the system of voluntary compliance
18 established under this Act; and

19 “(E) performance outcome measures and
20 evaluation criteria to be used by the participat-
21 ing agency in evaluating the effectiveness of the
22 system of voluntary compliance established
23 under this Act.

24 “(3) DUPLICATION OF EFFORT.—In carrying
25 out this subsection, each participating agency shall,

1 to the maximum extent practicable, ensure that par-
2 ticipating agencies are not carrying out duplicative
3 efforts.

4 “(d) DUTIES OF COUNCIL.—

5 “(1) REVIEW OF PARTICIPATING AGENCY
6 PLAN.—Not later than 30 days after the date on
7 which a participating agency plan is submitted to
8 the Council under subsection (c)(1), the Council
9 shall either—

10 “(A) approve the plan; or

11 “(B) make such modifications to the plan
12 as the Council determines to be necessary to
13 carry out the purpose of the National Small
14 Business Regulatory Relief Act of 1996.

15 “(2) ESTABLISHMENT OF GUIDELINES.—

16 “(A) IN GENERAL.—Based on each plan
17 approved or modified under paragraph (2), not
18 later than 180 days after the date of enactment
19 of the National Small Business Regulatory Re-
20 lief Act of 1996, the Council shall—

21 “(i) develop a program for the imple-
22 mentation of each participating agency
23 plan;

24 “(ii) publish guidelines for the estab-
25 lishment by small business development

1 centers or consortia of small business de-
2 velopment centers of a system of voluntary
3 compliance in accordance with this section;

4 “(iii) send a written copy of those
5 guidelines to each small business develop-
6 ment center; and

7 “(iv) identify national service delivery
8 support requirements including personnel
9 training, resource material development,
10 communication technology, monitoring,
11 and program evaluation.

12 “(B) GUIDELINE REQUIREMENTS.—The
13 guidelines published under subparagraph (A)
14 shall—

15 “(i) establish priorities for the types
16 of assistance to be provided to small busi-
17 ness concerns under the systems of vol-
18 untary compliance established by small
19 business development centers or consortia
20 under this section; and

21 “(ii) with respect to that assistance,
22 establish standards relating to educational,
23 technical, and communications tools, re-
24 sources, and support services to be pro-
25 vided to small business concerns.

1 “(C) PROGRAM DELIVERY.—The guidelines
2 established under subparagraph (A) shall—

3 “(i) require that the assistance to
4 small business concerns under this Act be
5 carried out by small business development
6 centers or by consortia of small business
7 development centers; and

8 “(ii) provide that certain national
9 service delivery support requirements may
10 be carried out under contract with an asso-
11 ciation representing the majority of small
12 business development centers.

13 “(D) ENFORCEMENT OF GUIDELINES.—
14 For purposes of this paragraph, the provision of
15 small business development center assistance
16 shall not be considered to be an enforcement ac-
17 tion for any Federal agency.

18 “(3) ANNUAL REPORT.—The Council shall, on
19 an annual basis, submit to the President and to the
20 Committees on Small Business of the Senate and
21 the House of Representatives a report, which shall
22 include—

23 “(A) a description of the types of assist-
24 ance provided by small business development
25 centers and consortia of small business develop-

1 ment centers to small business concerns under
2 this section;

3 “(B) the level of outreach to small business
4 concerns achieved by small business develop-
5 ment centers and consortia of small business
6 development centers under this section;

7 “(C) the quality and effectiveness of the
8 assistance provided by small business develop-
9 ment centers and consortia of small business
10 development centers to small business concerns
11 under this section;

12 “(D) problems encountered by small busi-
13 ness development centers and consortia of small
14 business development centers in carrying out
15 this section; and

16 “(E) recommendations for improvements
17 in the regulation of small business concerns.

18 “(e) DUTIES OF SMALL BUSINESS DEVELOPMENT
19 CENTERS.—

20 “(1) WORK PLAN.—Beginning not later than
21 60 days after the date on which the guidelines are
22 published by the Council under subsection (d)(2)(A),
23 each small business development center shall, on an
24 annual basis, submit to the Council a work plan
25 under which the small business development center,

1 either individually or as part of a consortium of
2 small business development centers, will carry out a
3 system of voluntary compliance in accordance with
4 those guidelines.

5 “(2) ASSISTANCE PROVIDED.—The assistance
6 to small business concerns under each system of vol-
7 untary compliance established under paragraph (1)
8 shall include—

- 9 “(A) access to information and resources;
- 10 “(B) training and educational activities;
- 11 “(C) confidential one-on-one in-depth coun-
12 seling;
- 13 “(D) technical assistance; and
- 14 “(E) referrals to experts.

15 “(3) REPORTS; RECOMMENDATIONS.—Each
16 small business development center and consortium of
17 small business development centers shall—

18 “(A) on a semiannual basis, submit to the
19 Council and to the Administrator a report on
20 the assistance provided by the small business
21 development center or consortium under the
22 system of voluntary compliance established
23 under this section; and

24 “(B) on an annual basis, submit to the
25 Council and to the Administrator recommenda-

1 tions for improving the regulation of small busi-
2 ness concerns.

3 “(4) DISCLOSURE OF INFORMATION.—Nothing
4 in this or any other section shall require a small
5 business development center, any consortium of
6 small business development centers, or any person
7 relied on by any such small business development
8 center to provide services, to disclose the name or
9 address of any small business concern participating
10 in a system of voluntary compliance under this sec-
11 tion.

12 “(f) EVALUATIONS.—

13 “(1) BY THE COUNCIL.—

14 “(A) IN GENERAL.—Not less frequently
15 than annually, the Council shall evaluate each
16 system of voluntary compliance established
17 under subsection (e)(1).

18 “(B) COMPLIANCE WITH WORK PLANS.—

19 In carrying out subparagraph (A), the Coun-
20 cil—

21 “(i) shall determine whether—

22 “(I) the participating small busi-
23 ness development center or consor-
24 tium is performing in accordance with
25 the most recent annual work plan

1 submitted by the small business devel-
2 opment center or consortium under
3 subsection (e)(1); and

4 “(II) the quality of assistance
5 provided by the small business devel-
6 opment center or consortium to small
7 business concerns under this section is
8 acceptable; and

9 “(ii) may review any client records
10 maintained by the small business develop-
11 ment center or consortium, except that in
12 conducting any such review, the Council
13 shall ensure that the identity of clients and
14 all information relating to clients remains
15 confidential, and that no identifying infor-
16 mation about any client is provided to any
17 Federal agency.

18 “(2) INDEPENDENT NATIONAL ASSESSMENT.—
19 Upon the expiration of the 3-year period beginning
20 on the date on which all small business development
21 centers and consortia of small business development
22 centers begin implementation of the work plans de-
23 scribed under subsection (e)(1), the Council shall
24 provide for an evaluation by an independent third

1 party of each system of voluntary compliance estab-
2 lished under this section.

3 “(g) FUNDING.—To assist small business develop-
4 ment centers and consortia of small business development
5 centers in carrying out the system of voluntary compliance
6 under this section, there are authorized to be appro-
7 priated—

8 “(1) to the Occupational Safety and Health Ad-
9 ministration of the Department of Labor,
10 \$1,100,000 for each of fiscal years 1997, 1998,
11 1999, 2000, and 2001;

12 “(2) to the Environmental Protection Agency—

13 “(A) \$11,750,000 for fiscal year 1997;

14 “(B) \$13,700,000 for fiscal year 1998;

15 “(C) \$16,400,000 for fiscal year 1999;

16 “(D) \$19,700,000 for fiscal year 2000;

17 and

18 “(E) \$19,700,000 for fiscal year 2001; and

19 “(3) to the Internal Revenue Service of the De-
20 partment of the Treasury—

21 “(A) \$18,250,000 for fiscal year 1997;

22 “(B) \$22,800,000 for fiscal year 1998;

23 “(C) \$28,500,000 for fiscal year 1999;

24 “(D) \$35,600,000 for fiscal year 2000;

25 and

1 “(E) \$35,600,000 for fiscal year 2001.”.

